Annual Report

January 1, 1989 to December 31, 1989

Saskatchewan
Assessment Management
Agency

Table of Contents

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Letters of Transmittal 2-3
Board of Directors 4
Chairman's Remarks 5
Future Directions 6
Duties and Responsibilities 7
Current Assessment System Overview 8
Organizational Chart 9
1989 Provincial Assesment Profile 10
Operations Branch 11-13
Regional Boundaries 14-15
Assessment Profile by Region 16
Policy and Research Branch 17
Technical Services Branch 18
Administration Branch 19
Financial Overview 20
Financial Statement 21-26

Letters of Transmittal

The Honourable Sylvia O. Fedoruk O.C., S.O.M.
Lieutenant Governor
Province of Saskatchewan
REGINA, Saskatchewan

Your Honour:

I have the honour to submit the third Annual Report for the Saskatchewan Assessment Management Agency. The Agency was created on March 1, 1987 and is governed by a Board of Directors. The Agency is responsible for the supervision of assessments in Saskatchewan, a duty previously performed by the Saskatchewan Assessment Authority.

The Saskatchewan Assessment Management Agency operates on the calendar year. This report covers the period of January 1, 1989 to December 31, 1989

Respectfully submitted,

Patricia A. Smith
Minister-in-Charge
Saskatchewan Assessment Management Agency

The Honourable Patricia A. Smith
Minister-in-Charge
Saskatchewan Assessment Management Agency
Legislative Building
REGINA, Saskatchewan

Dear Mrs. Smith:

On behalf of the Board of Directors, I have the honour to submit the third Annual Report for the Saskatchewan Assessment Management Agency. The Agency was created on March 1, 1987, taking over the assessment function from the Saskatchewan Assessment Authority.

The Agency operates on a calendar year. The data in this report covers the period of January 1, 1989 to December 31, 1989.

Sincerely yours,

A. H. Hosie
Chairman
Saskatchewan Assessment Management Agency

Mr. Bernard Kirwan
President
Saskatchewan Association of Rural Municipalities
2075 Hamilton Street
REGINA, Saskatchewan

Rev. Bob Thompson
President
Saskatchewan School Trustees' Association
400 - 2222 - 13th Avenue
REGINA, Saskatchewan

Mr. Ted Cholod
President
Saskatchewan Urban Municipalities Association
1819 Cornwall Street
REGINA, Saskatchewan

Dear Sirs:

On behalf of the Board of Directors I have the honour to submit the third Annual Report for the Saskatchewan Assessment Management Agency in accordance with section 19 of *The Assessment Management Agency Act.*

This report covers the period of January 1, 1989 to December 31, 1989.

Sincerely yours,

A. H. Hosie
Chairman
Saskatchewan Assessment Management Agency

Board of Directors

Board Members, left to right
Joe McKeown, SUMA Representative
Alphonse Kirzinger, SSTA Representative
Arthur Hosie, Board Chairman (seated)
Karen Keuler, nominated by the Provincial Government
Sinclair Harrison, SARM Representative (seated)
Bernard Kirwan, SARM Representative
Mark Thompson, SUMA Representative

Chairman's Remarks

During our third year as an independent Agency, SAMA's Board of Directors held true on our commitment to be accessible to all parties affected by assessment policy.

In our effort to fulfill our mandate to provide a fair and equitable provincial assessment system, an extensive series of consultative meetings were held with interest groups. These meetings proved to be a critical element in the process of assessment revision as we dealt head on with a number of difficult assessment issues.

The consultation process continued following the release of SAMA's 1987 Preliminary Assessment Manual in April, 1989. Highlights of the preliminary manual are a more market-related approach to assessments, including a market value adjustment to buildings in urban centres; and an improved productivity rating for rural land based on better yield information. These revisions will make the assessment system more easily understood.

SAMA has also discussed the business assessment issue with a number of interest groups. As a result of these discussions the Board has made the decision to recommend the elimination of the business assessment as a separate and distinct assessment. To offset this loss in revenue the Board further recommends the application of a commercial mill rate factor applied against all commercial properties.

SAMA is planning an extensive modelling process to test the new assessment values and the impact of the new commercial mill rate factor on various communities. The follow-up to the modelling will be extensive consultations with our interest groups.

The new manual will be implemented in 1992 utilizing an innovative procedure called a base year rollover. The base year rollover, a cost effective method of keeping values current, will supplement the Agency's reinspection program to ensure accuracy.

SAMA's Board of Directors will continue our open door policy in 1990. We depend on our user groups to let us know if we are meeting their needs. The task at hand for this year is the evaluation of the modelling results and the fine tuning of the assessment manual.

Sincerely,

A. H. Hosie
Chairman
Saskatchewan Assessment Management Agency

Future Directions

In response to concerns expressed by interest groups, the Board decided to delay the implementation of the new assessment manual until 1992. This one-year delay will allow SAMA time to conduct a more thorough computer modelling process to "test" the new values on various communities.

The Board is proposing that the business assessment as a separate assessment be eliminated and replaced with a commercial factor applied to defined commercial properties. The commercial factor will provide municipalities with an alternative method of collecting revenues from commercial properties. The use of this factor will be extensively modelled to assess its impact before a recommendation is made to the Minister.

Modelling will also assist the Board in determining percentages of value for various categories of property.

The Board will continue to work closely with other organizations such as the Saskatchewan Crop Insurance Board, the Land Titles Office and the Saskatchewan Research Council to build an appropriate information data base.

SAMA will continue to consult interest groups on further revisions to the assessment manual. An enhanced public information campaign explaining the new assessment system to municipal ratepayers is planned for 1991.

Work is being done to amalgamate the assessment provisions contained in the three municipal Acts into one Act to be called the *Municipal Assessment Act*. The assessment function will then be under the jurisdiction of one Minister, making its interpretation and administration more efficient.

Duties and Responsibilities

The Saskatchewan Assessment Management Agency is responsible for the valuation of all properties, businesses, equipment and special franchises in Saskatchewan, with the exception of those located in the cities of Moose Jaw, Prince Albert, Regina and Saskatoon.

The Agency was created by *The Assessment Management Agency Act*, responsible to and under the direction of a Board of Directors.

The Act sets out the duties and responsibilities of the Saskatchewan Assessment Management Agency as follows:

a) Establish and maintain valuations in a manner consistent with and in accordance with the standards pursuant to *The Rural Municipality Act*, *The Urban Municipality Act*, 1984, or *The Northern Municipalities Act*. This includes maintaining the assessment base in every municipality on a yearly basis or as required, as well as performing general reassessments as provided by legislative requirements.

b) Supervise the administration of the assessment provisions of all municipal Acts. This includes information regarding courts/ boards of revision, roll confirmation and interpretation of assessment provisions in various legislative Acts.

c) Ensure the general public is adequately informed respecting assessment procedures.

d) Undertake research and studies into valuation practices and procedures and shifts in taxation.

e) Prepare and establish an assessment manual as required for valuation of property and business.

f) Consult with municipal councils, boards of education, the Government of Saskatchewan, the public and local government organizations, during preparation of the assessment manual and prior to any revaluation, as well as during the review of assessment policy and legislation, and the carrying out of any research or study.

Current Assessment System Overview

Assessments are conducted on businesses and urban, rural and industrial properties. Assessments form the basis on which a tax is levied on property and business owners. Property taxes are levied in order to generate revenue for municipal governments, school boards, hospital districts and library boards.

Rural Land Assessment

On rural property, an assessment is based on the land's productive ability. A master rating composed of climate, texture and profile is developed. This rating is then adjusted for physical factors to determine a productivity rating. The productivity rating is further adjusted by economic limitations to determine a final rating. The final rating is related to average market values for the 1961 - 1970 period, commonly referred to as 1965 values.

Urban Land Assessment

Urban land in larger municipalities is assessed on a "modified market value" approach tied to 1965 values. In smaller municipalities a greater consideration for land assessment is the value in use: adjustments are made to urban land values for municipal infrastructure costs such as sewer, water and paving as well as for lot depth and shape. In rural municipalities there are different rating schedules for country residential, country commercial and major industrial properties.

Improvements

Improvements consist of buildings and structures placed on, over, or under land and anything permanently attached to those buildings. Improvements are valued apart from the land on which they are situated, at 50% of the depreciated replacement cost, based on average construction costs in 1965.

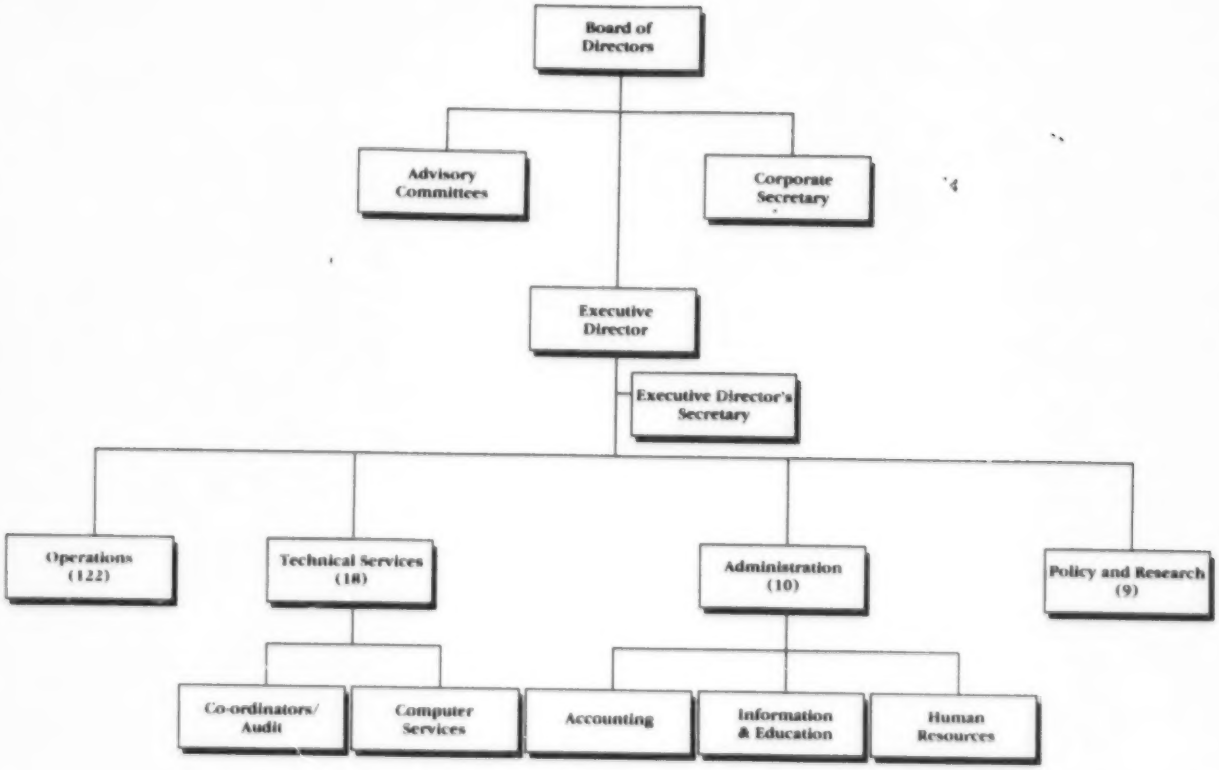
Business Assessment

For all communities except Saskatoon, the "occupied floor space" method is used to assess businesses. Average rates are determined for different kinds of businesses and converted to square footage rates with an adjustment according to the amenities in the community. Saskatoon uses the "rental value" method of business assessment. In Saskatoon, assessments are arrived at by taking a percentage of the gross annual rent for business properties.

Industrial Equipment Assessment

Industrial equipment is assessed at 100% of its fair value indexed to the 1965 base period. All values include an allowance of 50% for lifetime depreciation, maintenance and downtime.

Organizational Chart



1989 Provincial Assessment Profile

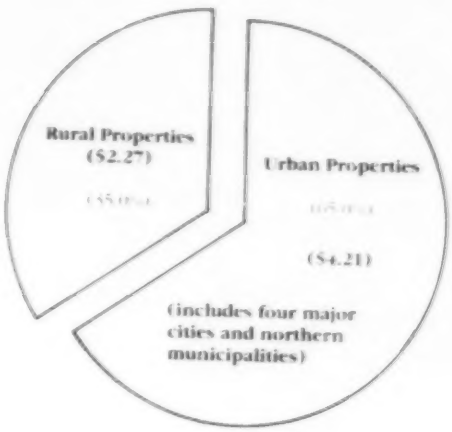
Percentage of value applied to property components.

50% Urban Building
60% Rural Land
100% Urban Land
100% Equipment

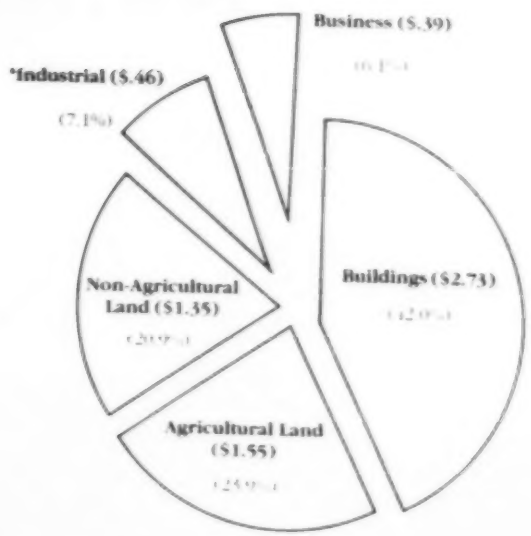
Property Distribution

The total number of assessable **properties** in the province is **903,897.**
* **Includes** four major cities and **northern** municipalities.

1989 Assessment Values by Urban/Rural Distribution ($ Billions)



1989 Assessment Values by Class of Property ($Billions)

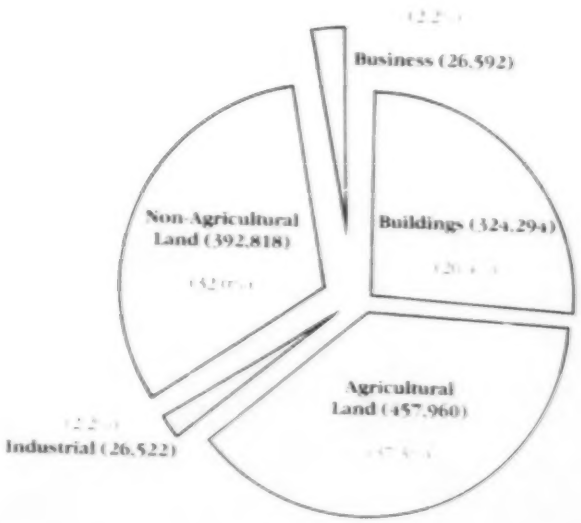


*excludes land and building assessments associated with potash and other mines which are included in non-agricultural land, buildings and business assessment figures

The total assessment for all municipalities in the province is $6,481,990,146.

These figures do not represent current market value.

Total Number of Components by Class of Property



The total number of assessable property components in the province is 1,228,186.

Operations Branch

The Operations Branch is responsible for all property valuation in the province with the exception of those properties located in the cities of Moose Jaw, Prince Albert, Regina and Saskatoon.

The Assessment Management Agency Act stipulates valuations are to be established and diligently maintained in a manner consistent with *The Rural Municipality Act*, *The Urban Municipality Act*, 1984, and *The Northern Municipalities Act*.

SAMA has seven regional offices located in Melfort, North Battleford, Regina, Saskatoon, Swift Current, Weyburn and Yorkton.

Branch Accomplishments

Eighty-one percent of urban and rural ratepayers were contacted during their reassessments as Branch employees continued their public education and consultation efforts.

Branch employees conducted reassessments and maintenance valuations on 33,763 improvements, 33,090 rural parcels of land and 4,225 businesses. On average, the assessment cost per roll entry was $10.56; the lowest cost for the service compared to all other Canadian provinces.

In co-operation with the Policy and Research Branch, Operations staff field tested the 1987 level manual and collected a significant sampling of market information from 137 municipalities. This research data will be used in the modelling process to determine the impact of the new manuals.

The following urban municipalities were reinspected during the year under review:

Town of Aberdeen
Village of Alvena
Town of Arcola
Town of Assiniboia
Resort Village of Big Shell
Town of Broadview
Village of Brock
Village of Broderick
Resort Village of Candle Lake
Village of Carievale
Village of Ceylon
Village of Clavet

Urban Appraiser Jackie Currah discusses business assessment with Saltcoats business owner Lora-Lynn Rusnak.

Town of Colonsay
Resort Village of Echo Bay
Town of Elrose
Village of Elstow
Village of Girvin
Village of Gladmar
Village of Glenside
Town of Grenfell
Village of Hague
Village of Harris
Village of Jedburgh
Resort Village of Kenosse Lake
Town of Lanigan
Town of Leader
Village of Leoville
Village of Loverna
Town of Maple Creek
Village of Markinch
Town of Meadow Lake
Village of Minton
Village of Mortlach
Town of Mossbank
Town of Nokomis
Village of North Portal
Village of Odessa
Town of Ogema
Town of Osler
Town of Oxbow
Resort Village of Pebble Baye
Village of Pense
Town of Raymore
Town of Rocanville
Town of Rosetown
Town of Shaunavon
Resort Village of Shields
Town of Spiritwood
Resort Village of Thode
Town of Tisdale
Village of West Bend

The total confirmed aggregate urban assessment for 1989 is 4,140,637,119. This figure includes assessments in the cities of Moose Jaw, Prince Albert, Regina and Saskatoon. The urban total excluding the four major cities is 1,489,862,982.

Northern Assessment

The total confirmed aggregate northern assessment for 1989 is 74,496,890. This total includes assessment values for properties located in the Northern Saskatchewan Administration District (N.S.A.D.) which were not previously included in the northern assessment total.

Rural Assessment

The following municipalities were reinspected during the year under review:

R.M. 36
R.M. 73
R.M. 92
R.M. 93
R.M. 103
R.M. 133
R.M. 134
R.M. 159
R.M. 167
R.M. 168
R.M. 193
R.M. 216
R.M. 222
R.M. 274
R.M. 277
R.M. 283
R.M. 310
R.M. 346
R.M. 367
R.M. 376
R.M. 400
R.M. 406
R.M. 434
R.M. 494
R.M. 496

The total confirmed aggregate rural assessment for 1989 is 2,266,856,137

Industrial Assessment

To better serve our industrial clients, SAMA created three new industrial appraiser positions in July, 1989. Safety, cost efficiency and expertise were the key reasons behind the decision to assign three of SAMA's senior urban appraisers to work year-round with industrial appraisal.

A major project in 1989 was the data entry of 25,000 oil and gas properties into SAMA's mainframe computer.

In 1989, reinspections of oil and gas equipment were carried out in seven rural municipalities and maintenance valuations were conducted on oil and gas equipment in 101 rural municipalities.

As well, reinspections were carried out on the following industrial properties:

R.M. 168:

Francana Minerals sodium sulphate mine
TransGas compressor station
SaskPower electrical generating station

R.M. 159 and R.M. 159NR:

IPSCO INC.
Wheat City Metals
Inland Cement
Procor storage and shipping terminal
Amoco storage and compressor terminal
Provincial Correctional Centre
TransGas storage caverns
Ekaton Industries

The reinspection of the Shell oil field battery and injection plant in R.M. 36 and pipeline and associated buildings in eight other rural municipalities was also carried out.

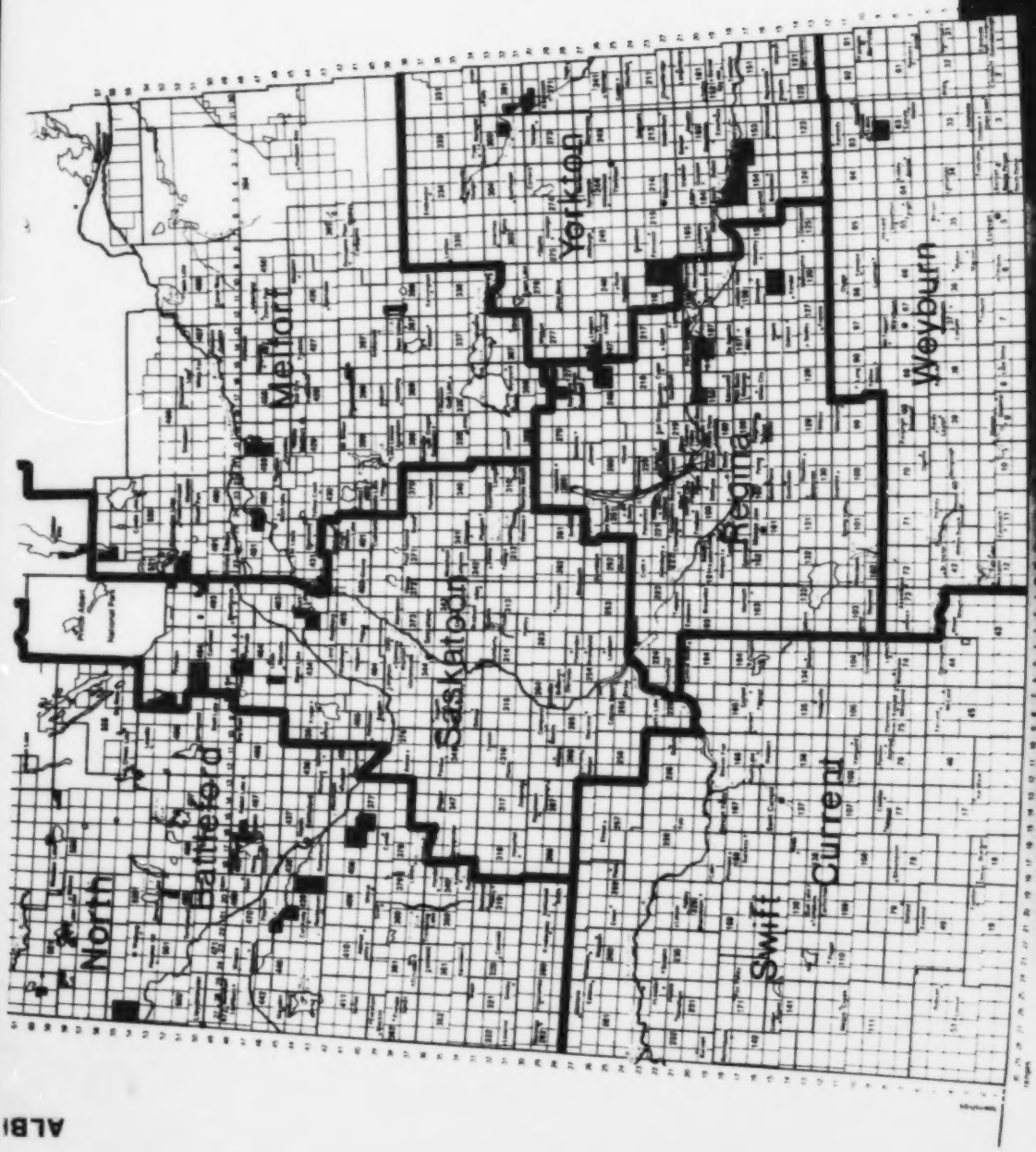
Maintenance valuations were conducted on:

Pipeline in 37 R.M.s, three towns, four villages and the City of Lloydminster
Six coal mines
Two gold mines
Three uranium mines
Ten potash mines; including three underground inspections
Two sodium sulphate mines
The Saskatchewan Wheat Pool Weyburn grain terminal
Ekaton Industries clay plant
Imperial Oil Ltd. fertilizer plant
IPSCO INC.
Inland Cement
Procor pipe line

The total taxable assessment for industrial properties is $347,000,000. The total assessed value for oil and gas field equipment is $217,000,000. The combined industrial assessment total is $564,000,000.

Saskatchewan Assessment Management Agency

Regional Boundaries



Assessment Values by Region

* Melfort	$ 446,267,248
North Battleford	717,123,165
* Regina	462,211,277
* Saskatoon	584,231,186
Swift Current	531,165,334
Weyburn	526,884,289
Yorkton	529,230,940
Total	3,797,113,439

Number of Components by Region

* Melfort	124,793
North Battleford	169,238
* Regina	115,950
* Saskatoon	152,525
Swift Current	156,676
Weyburn	114,696
Yorkton	118,431
Total	952,309

*These figures do not include the province's four major cities.

Policy and Research Branch

The Policy and Research Branch is responsible for the development of assessment policy recommendations and the assessment manual. The Branch collects and analyzes data relevant to developing methods for the equitable valuation of property and businesses in Saskatchewan. The Branch also conducts impact studies on the effect of various assessment policies and methods of valuation.

Branch Highlights

In 1989 the Branch published the 1987 Preliminary Assessment Manual. The preliminary manual was subjected to critical review by interest groups during a series of consultation meetings. Many of the concerns raised at these meetings were investigated and revisions were made where appropriate.

The Branch held a series of meetings with municipal officials and others interested in business assessments to discuss options for the present business assessment. As a result of these meetings a number of options were presented to the Board for review.

Extensive verification of 1987 rural and urban sales was completed in co-operation with the Operations Branch. The verification of agricultural land sales allowed for the finalization of the new economic index for agricultural land. Urban sales verification provided the final research data required for extensive modelling of the new assessment manual. Initial modelling results were prepared to study the impact of the proposed revisions to the assessment system.

The Branch expanded and improved its agricultural productivity and market sales data sources through co-operation with other organizations. The Branch also joined with the University of Regina and the Saskatchewan Research Council to study the use of climate criteria in agricultural assessments and the assessment of rangeland.

Technical Services Branch

Technical Services Branch co-ordinates and audits all assessments in the province to ensure uniform and correct application of the assessment manual. As well, the Branch provides computer support services to the Agency and is responsible for the provision of assessment information to interest groups, government agencies and the public.

All annual assessment returns are reviewed and confirmed each year and additional certificates are provided for supplementary assessments when requested by municipalities.

The cities of Moose Jaw, Prince Albert, Regina and Saskatoon maintain their own assessment staff. The Agency, however, is responsible for co-ordinating city assessments to ensure province-wide equity.

Branch Highlights

During the year 94 municipalities took advantage of the Branch's recently developed software package that enables the Agency to provide municipalities with a diskette containing a summary of their assessment values. Experimental copies of detailed property profiles were transferred to diskette for two villages. Corresponding software is required in each municipality before the diskette can be utilized.

In 1989, the Technical Services Branch also completed the first phase in a two phase process required to conduct the upcoming base year rollover. In preparation for this computer-generated revaluation of all properties to a 1987 level value, a computer specifications manual was developed. The next phase, the computer programming, was also underway by year end.

All new field employees received a three-week urban training course and new rural employees received a two-week rural training course and a one-week soils training tour. In addition, all field employees received a land market study course; and extensive training was provided to industrial appraisers with emphasis on safety in the oil field.

An assessment Act was drafted for the purpose of replacing assessment provisions in the three municipal Acts with one uniform set of assessment provisions for the province.

Administration Branch

The Administration Branch provides central support services, including budgeting, accounting, recruitment, classification, pay and benefits administration, contract negotiations and employee/employer relations.

The Branch is also responsible for co-ordinating internal and external communications, for educating ratepayers, administrators and councillors about the assessment process and for providing educational opportunities to Agency employees.

Human Resources

As of December 31, 1989, SAMA employed 161 people. One hundred and seventeen employees worked out of the Agency's regional offices, with the remaining 44 located in head office.

Branch Highlights

The Human Resource Unit recruited 24 permanent employees including ten new field personnel. The additional field personnel will provide SAMA with the staff required to perform the base year rollover.

The objective of the 1989 communication activities was to facilitate open dialogue between SAMA's executive and our interest groups. Twenty-four consultative meetings with various interest groups were held in conjunction with a series of informational meetings with municipal leaders. These province-wide meetings gave all groups affected by the assessment policy the opportunity to share their comments on the proposed changes to the present system.

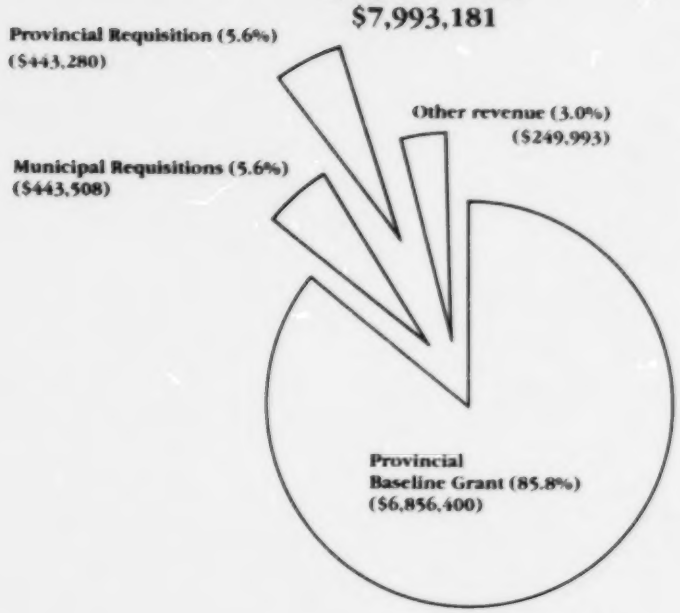
Communications staff were on hand at the SUMA, SARM, SSTA, and the urban and rural administrators' conventions to answer any assessment related questions. As well, Agency personnel attended a number of ratepayer meetings.

Staff training and development continued to be an Agency priority with emphasis on preparing employees for the move to a more market-related system.

The Agency is a member of the Trans-Canadian Assessment Training Steering Committee, working to standardize assessor training in Canada.

SAMA's Jacquie McLean and SARM's Vice President Val Kononoff at the SSTA Convention.

1989 Revenues
$7,993,181



Revenue Formula

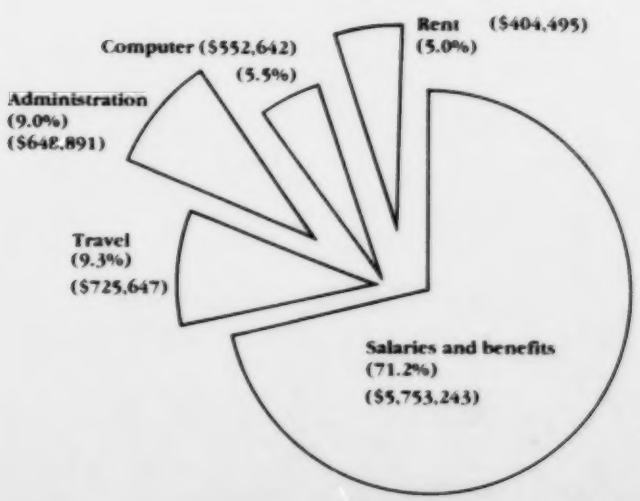
Funding	
al Baseline Grant of	$6,856,400
rcent of expenses	
above the baseline grant	443,280
Requisition	
50 percent of expenses	443,508
above basline grant	
Other revenue	249,993
	$7,993,181

The dollar distribution requisitioned from municipalities is as follows:

*Cities	$68,284	(15.4%)
Towns	106,158	(23.9%)
Villages	45,611	(10.3%)
Northern municipalities	2,651	(0.6%)
Rural municipalities	220,804	(49.8%)

*does not include Moose Jaw, Prince Albert, Regina and Saskatoon.

1989 Expenditures
$8,084,918



Auditors' Report

Deloitte & Touche

The Board of Directors,
Saskatchewan Assessment
Management Agency.

We have examined the balance sheet of the Saskatchewan Assessment Management Agency as at December 31, 1989 and the statements of revenues, expenses and surplus and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Agency as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Deloitte + Touche

Regina, Saskatchewan
February 1, 1990

Chartered Accountants

Balance Sheet as at December 31, 1989

	1989	1988
Assets		
Current assets		
Cash and temporary investments	$ 433,292	$2,498,874
Grant due from Province (Note 6)	110,850	—
Accounts receivable and accrued interest	21,226	24,357
Prepaid expenses	5,049	4,929
	570,417	2,528,160
Fixed assets (Note 3)	601,411	650,403
	$1,171,828	$3,178,563
Liabilities		
Current liabilities		
Accounts payable	$ 126,000	$ 178,896
Obligation under capital leases (Note 4)	83,811	129,699
Current portion of loan payable (Note 5)	20,519	18,348
Deferred grant revenue	—	1,714,055
	230,330	2,040,998
Non-current obligation under capital leases (Note 4)	170,669	254,479
Loan payable (Note 5)	77,306	97,826
	247,975	352,305
	478,305	2,393,303
Surplus		
Surplus	693,523	785,260
	$1,171,828	$3,178,563

On behalf of the board

J.S. Harrison ..... Director

K.L. Keller ..... Director

Statement of Revenues, Expenses, and Surplus

For the year ended December 31, 1989

	1989	1988
Revenue		
Province of Saskatchewan		
Operating grant (Note 6)	$7,299,680	$7,071,778
Municipal requisitions	443,508	216,426
	7,743,188	7,288,204
Expenses		
Salaries and benefits	5,753,243	5,320,313
Travel and accommodation	725,647	654,772
Computer	445,613	395,405
Rent - office	404,495	349,783
Office	352,728	386,213
Depreciation	156,627	162,600
Computer consulting	107,029	—
Professional	56,104	57,497
Interest on capital leases	32,057	52,698
Rent - aircraft and equipment	16,494	13,047
Interest on long term debt	12,125	—
Tools and supplies	10,159	11,156
Insurance	8,192	9,944
Bank charges	4,405	3,218
	8,084,918	7,416,646
Excess of expenses over revenues before other revenues	(341,730)	(128,442)
Other revenues		
Interest	218,136	188,655
Fees	21,152	22,343
Miscellaneous	10,705	15,198
Transition Agreement grant	—	20,434
	249,993	246,630
Excess of (expenses over revenues) revenues over expenses for the year	(91,737)	118,188
Surplus, beginning of year	785,260	667,072
Surplus, end of year	$ 693,523	$ 785,260

Statement of Changes in Financial Position

For the Year Ended December 31, 1989

	1989	1988
Cash from operations		
Excess of (expenses over revenues) revenues over expenses for the year	($ 91,737)	$ 118,188
Depreciation	156,627	162,600
Deferred grant revenue	(1,714,055)	1,714,055
	(1,649,165)	1,994,843
Increase (decrease) in cash due to changes in non-cash components of working capital, accounts receivable and accrued interest	3,131	7,972
Grant due from Province	(110,850)	—
Prepaid expenses	(120)	(2,762)
Accounts payable	(52,896)	(190,073)
Cash (used) generated by operating activities	(1,809,900)	1,809,980
Financing activities		
Decrease in obligation under capital leases - current	(45,888)	(78,976)
- long term	(83,810)	(129,699)
Increase (decrease) in loan payable - current	2,171	18,348
- long term	(20,520)	97,826
	(148,047)	(92,501)
Investing activities		
Purchase of fixed assets	(107,635)	(197,167)
(Decrease) increase in cash	(2,065,582)	1,520,312
Cash, beginning of year	2,498,874	978,562
Cash, end of year	$ 433,292	$2,498,874

Notes to the Financial Statements

December 31, 1989

1. The Saskatchewan Assessment Management Agency was established on March 1, 1987 under the authority of *The Assessment Management Agency Act*.

2. Significant accounting policies
The financial statements have been prepared in accordance with generally accepted accounting principles, and reflect the following policies.

Investments
Investments are stated at the lower of cost and market value.

Accounts receivable
Amounts received from the Province of Saskatchewan under the terms of a transition agreement for reimbursement of employee travel advances have been recorded as a reduction of these advances.

Fixed assets
Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated using the diminishing balance method, except for leasehold improvements which are being amortized using the straight-line method over the life of the lease.

Amounts received from the Province of Saskatchewan in 1987 under the terms of a transition agreement for acquisition of fixed assets have been recorded as a reduction of the cost of these assets.

3. Fixed assets

	Rate	Cost	Accumulated depreciation	Net book value 1989	1988
Equipment under capital leases	20%	$718,565	$335,331	$383,234	$479,043
Computer equipment	20%	224,046	27,381	196,665	173,799
Furniture and equipment	20%	219,294	22,838	196,456	174,011
Leasehold improvements	1/5	158,742	56,846	101,896	100,390
		1,320,647	442,396	878,251	927,243
Less transition grant		276,840	—	276,840	276,840
		$1,043,807	$442,396	$601,411	$650,403

4. Obligation under capital leases

The following is a schedule of future minimum lease payments. All leases expire by December 31, 1992.

	1989	1988
Year ending December 31, 1989	$ —	$148,823
1990	106,167	106,167
1991	104,514	104,514
1992	62,788	62,788
Total minimum lease payments	273,469	422,292
Less imputed interest at 10.75%	18,989	38,114
Balance of the obligation	254,480	384,178
Portion due within one year	83,811	129,699
Non-current obligation	$170,669	$254,479

5. Loan payable

Under the terms of an agreement dated January 20, 1989, the Agency has a loan payable to Saskatchewan Property Management Corporation (SPMC) for renovation costs. The loan matures on December 31, 1993 and is payable in monthly payments of $2,539, including interest at 12% per annum. If the Agency's lease is terminated before the loan matures, the Agency must, within 30 days, repay the balance plus one month's interest at 12%.

6. Operating grant

Under Section 18 of *The Assessment Management Agency Act*, the Agency is entitled to receive an annual operating grant from the Province of Saskatchewan. As at December 31, 1989, $110,850 of the 1989 grant was receivable.

7. Commitments

Under the terms of various leases expiring in March, 1992, the Agency leases various office properties from Saskatchewan Property Management Corporation. The monthly payments for length of the lease term are approximately $34,558.

Under the terms of a lease expiring February 28, 1993, the Agency leases property from Urban Core Developers Ltd. for the monthly payments of $1,550.